

# Process Improvements Workshops

## Department of Water Resources Division of Integrated Regional Water Management Financial Assistance Branch

December 5, Redding

December 6, Chino

December 13, Watsonville

December 14, Visalia

December 20, Sacramento (w/ webcast)



# Workshop Purpose

- Engage IRWM regions and interested stakeholder to:
  - Discuss possible ways to improve DWR's delivery of the IRWM Grant Program
  - Identify anticipated/known changes to IRWM and Stormwater Flood Management (SWFM) Grant Programs
  - Early input to Round 2 Guidelines and Proposal Solicitation Packages (PSPs) revisions
  - Update program status

# Agenda

- Overview of process improvements effort
- Stakeholder forum
- Disadvantaged Community (DAC) issues
- Project benefits and economic analyses
- IRWM plan standards
- Use of Handbook for Climate Change
- The big picture
- Additional Input, Q&A, Discussion

# Overview

- Scope of Process Improvements Workshops
  - Workshops focused on revising Guidelines and PSP for
    - Prop 84 IRWM Implementation grants
    - Prop 1E SWFM grants
- Other possible area not addressed here
  - Contracting, invoicing, etc.
  - Input welcome (once main purpose accomplished)

# Short-term schedule

- Process Improvement Workshops – 12/5-20
- Comments “due” – 12/31/2011
- Final Round 2 Planning Grant PSP – Dec 2011
- Round 2 Planning applications due – Feb 2012
- Draft Revised Guidelines & PSP – March 2012
  - IRWM Implementation & SWFM
  - Post on web for 30 days then
  - (At least) 2 workshops – Northern & Southern

# Two Step Process

- Similar to Prop 50 IRWM Implementation
- IRWM Implementation only
- Anticipate use review model for Rounds 2 & 3
- Step 1 – Focused on Plan
- Step 2 – Focused on Projects
- Round 2 – Plan “trajectory” (for most)
  - Will be discussed further
- Round 3
  - Pass/Fail – Adopted +16 Standards, PLUS
  - Quality of adopted plan

# Stakeholder Forum

Input on areas in need of improvement

Additional feedback from Round 1 experience

Already using Roundtable of Region survey  
and other prior feedback

# Disadvantaged Community Assistance

Intent:

To assist DAC with water  
management issues



# Observations

- What DWR thinks are needs and what we see in grant applications don't seem to match
  - Critical Water Supply and Water Quality Needs requires better definition
  - Imp Round 1, ~50% DAC project concurrence
- DACs outside jurisdictional boundaries – how much help can be expected?
- Cash flow needs and invoicing timelines do not match

# Observations (Continued)

- DAC project definition broadened but scoring criteria did not help DAC projects show well
- Confused applicants on how to request waiver
- Funding target and program preference language differ and can cause confusion
- DAC issues from a regional prospective

# What DWR Knows it Needs to do

- Clarify definition of Critical Water Supply and Water Quality Need
  - What is standard for “critical”
- Clarify how to apply for waiver
- Improve benefit analysis

# Discussion Topic Q&A

What change(s) to the IRWM grant program process would help position DACs to take advantage of this/any grant opportunity to resolve water management issues?

# Presentation of Benefits and Economic Analysis

Intent:

To ensure wise investments of limited  
State funds

# Benefit/Economic Analysis Requirement

- Round 1
  - P84 Implementation
  - P1E SWFM

P84 Imp. R1		SWFM R1	
Scoring Criteria	Points Available	Scoring Criteria	Points Available
Water Supply (WS)	15	FDR and WS	12
Water Quality (WQ) and Other Expected Benefits	15	WQ and Other Expected Benefits	12
Flood Damage Reduction (FDR)	15		
Combined Criteria/Total Point			
45/85 = %53		24/64 = %38	

# Existing Economic Analysis Comments

- Cumbersome and Difficult
- Monetizing Benefits Difficult
- Cost of Preparation High – Especially for DACs
- Deemphasizes importance of qualitative benefits
- Redundant and unimportant info requested
- Same level of detail required regardless of project cost/size
- Only applicants with projects that contain all 3 benefit categories can maximize their score

# Proposed Concepts

- **A:** Develop separate evaluation criteria for qualitative benefits with linkage to IRWMP
- **B:** Develop a tiered economic analysis requirement based on project cost
- **C:** Consolidated Benefits scoring
  - *“lumping versus splitting”*
- *This discussion is relevant to SWFM also*



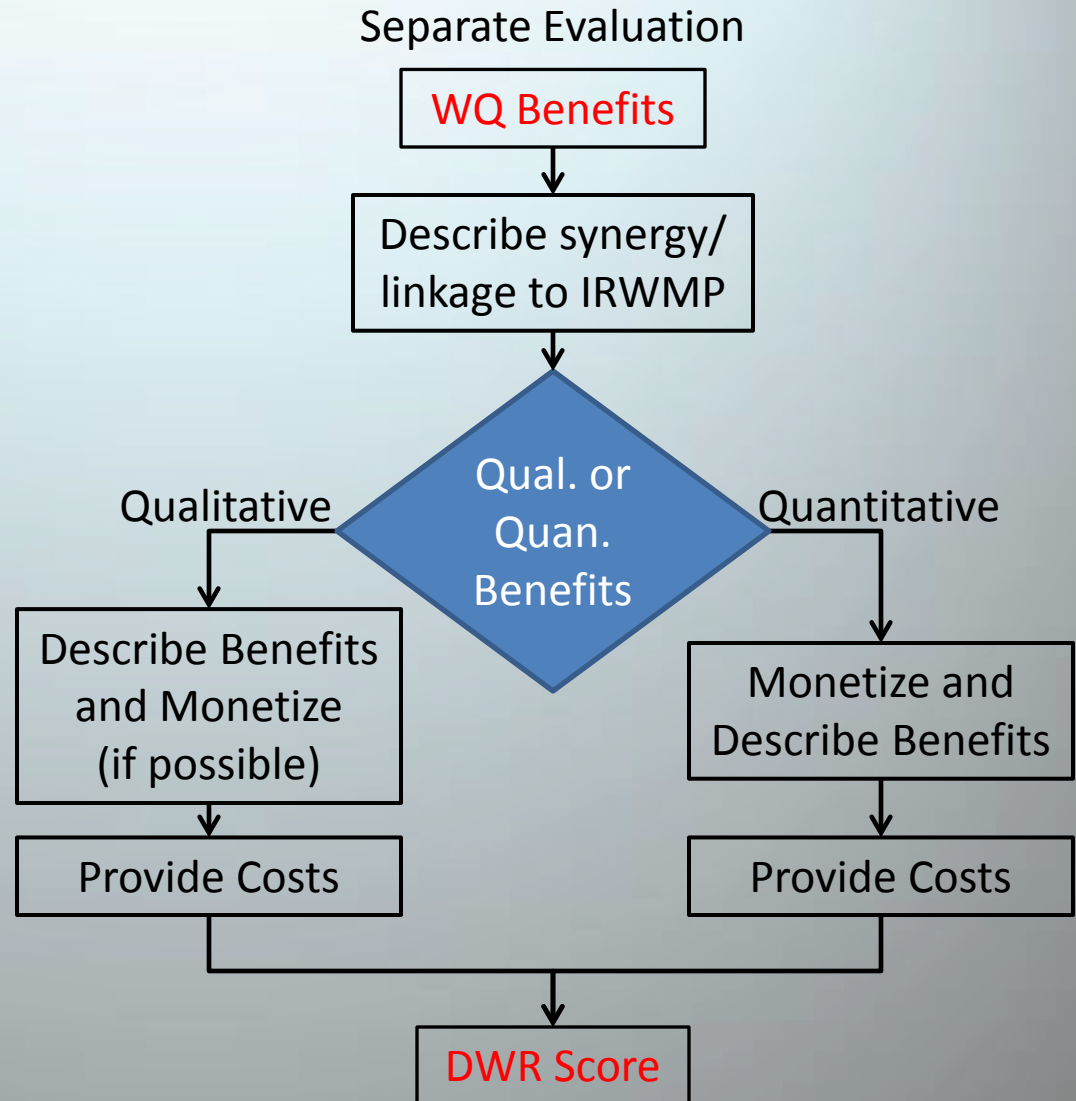
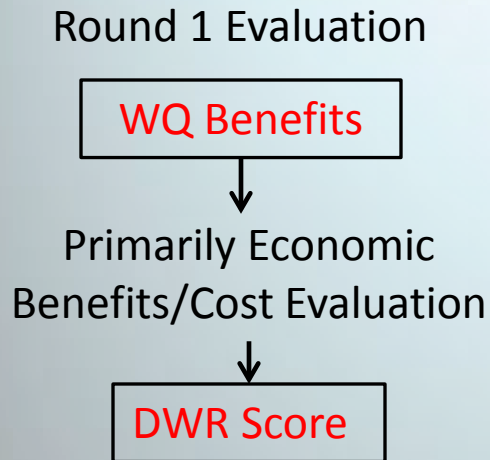
# Concept **A**: Develop separate evaluation criteria for qualitative benefits with linkage to IRWMP

- Quantitative/Qualitative Benefit/Cost Evaluation
    - Primarily Economics Analysis
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- Quantitative Economic Analysis
  - Qualitative “Other” Benefits Evaluation (Triple Bottom Line)
    - Environmental
    - Sustainability
    - Community/Social Benefits

## Concept **A**: **Develop separate evaluation criteria for qualitative benefits with linkage to IRWMP (cont.)**

- Environmental benefit
  - Protection or improvement of habitat
  - Improvements to stormwater management
  - Improvements to water quality
  - Protection or improvement of GW recharge areas
- Sustainability benefit
  - Use of renewable materials or renewable energy
  - Reducing waste stream & landfill impacts
  - Reducing GHG's during construction, and O&M
  - Adopting local sustainability ordinances or policies
- Community/Social benefit
  - Increases parks, trails, or other rec. benefits
  - Increases open space or other community benefits (community gardens, town square, etc)

# Concept **A**: Develop separate evaluation criteria for qualitative benefits with linkage to IRWMP (cont.)



# Concept **B**: Develop a tiered economic analysis requirement based on project cost

Tier	Grant Dollar Request	Analysis Requirement
1 (DAC)	NA	Basic “Cost Effectiveness” Analysis
2	>\$	Standard Economic/Benefit Analysis

Not Applicable – Recognized DAC projects automatically fall in tier 1

## Intended outcome:

- Application process easier and cheaper
- Benefit/Economic analysis requirements more clear for all local project sponsors and applicants

## Concept **C**: “Lump” Scoring of Benefits

- Current approach

$WS + WQ + FDR = \text{total score}$

- Alternative approach

WS/WQ/FDR/Other Benefits, as a whole

Collective score

Linkages to IRWM Plan Goals/Priorities

- Intended outcome:

– Encourage projects that meet plan goals over projects to seek points

## Known Changes: **Improve existing benefit/economic analysis**

- Provide consistent wording
- Eliminate redundant information
- Reduce information requested
  - Salient components common for all applicants
- Simplify templates and tables
- Include more examples
- Include more visual aids
  - Process diagrams and flowcharts
- *Provide predetermined “default unit” value for benefits*

# Discussion Topics Q&A

What change(s) to the Economic Analysis and Benefits portion of the proposal evaluation should DWR consider?

Should the same changes be made to the IRWM and SWFM PSPs?

# IRWM Plan Standards

Intent:  
Clarification



# Climate Change Standard

- Defining the Climate Change Standard in Rounds 2 and 3
- Standard in Guidelines was broadly written
- Enough tools becoming available
  - Time to “set bar”
- Bar will not change for the remainder of P84
- Why do this now?
- Handout, pg 1

# Plan Standards in Imp Grant Round 2

- Round 2 – Step 1
- Simple presentation & review of plan content
- Handout pg 2
  - Fill in simple matrix on standards compliance
- Planning grant
  - Status of grant will be part of evaluation
- Plan adoption status
  - Discuss later in presentation

# Discussion Topic Q&A

Is additional clarification on IRWM  
Plan Standards needed?

# Climate Change Handbook Special Presentation

Update on newly released document

How can this handbook be used by  
IRWM regions?

# “The Big Picture”

Do all of the pieces fit together?

# Prop 84

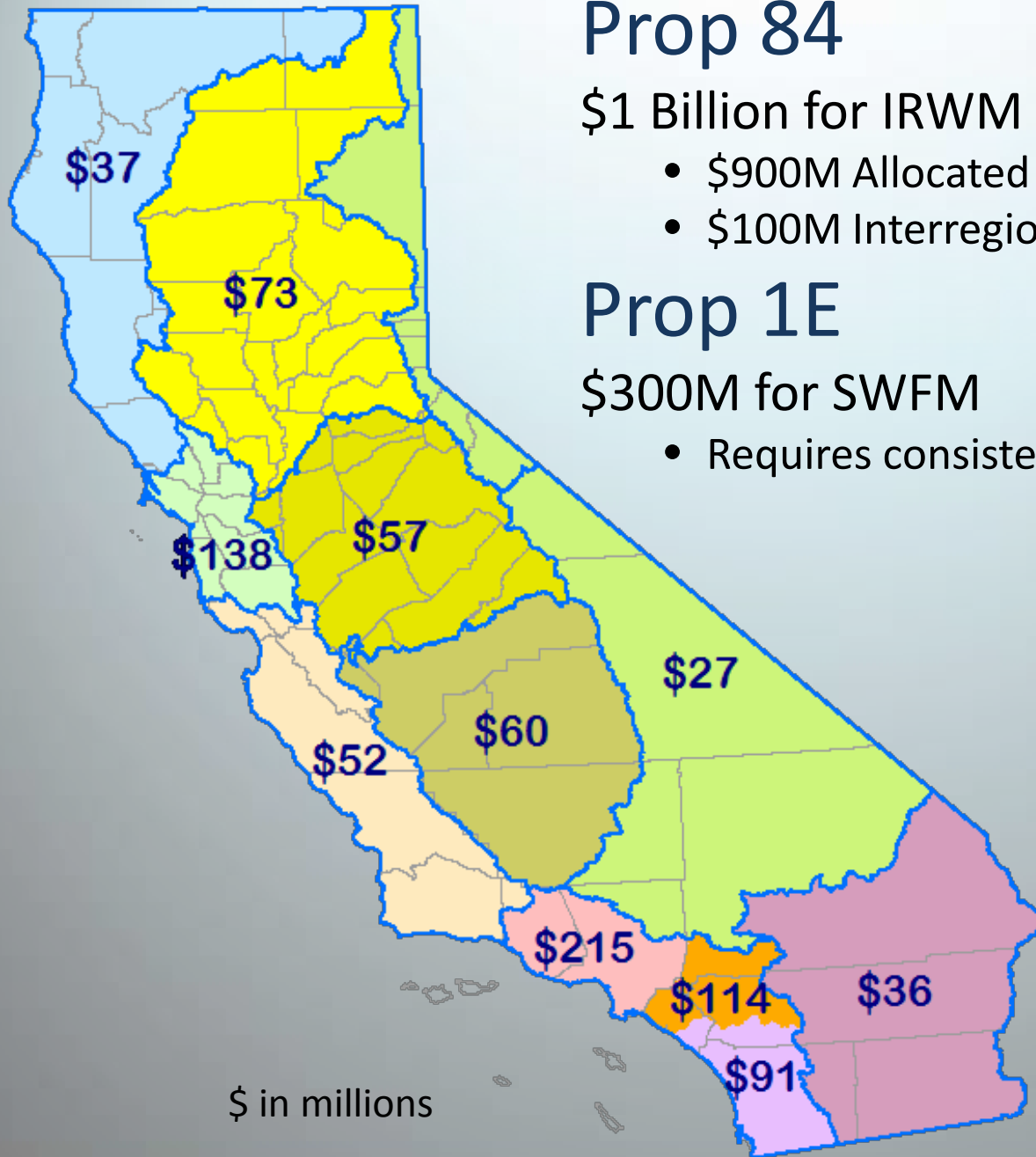
\$1 Billion for IRWM

- \$900M Allocated to 11 Funding Areas
- \$100M Interregional

# Prop 1E

\$300M for SWFM

- Requires consistency with IRWM Plan



\$ in millions

# Funding Summary

- IRWM Grant Program
  - Planning Grants = \$30M
  - Implementation Grants = \$808.5M
- SWFM Grant Program = \$274.5M

# Round 1 Awards

- IRWM Planning = \$21M
- IRWM Implementation = \$205M
- SWFM = at least \$163M



# Funding Update

- Round 2
  - IRWM Planning = \$9M
  - Local Groundwater Assistance = \$4.7M
  - SWFM = Approximately \$50M\*
    - Seismic funding target
  - IRWM Implementation = \$131M
    - 10% DAC funding target – Difference from Round 1
    - Maintain use of Funding Area Allocation Schedule
- Round 3
  - IRWM Implementation = \$472.5M

# Prop 84 Available for Future Awards

Funding Area	Remaining Balance	% Remaining
North Coast	\$25,133,939	68%
San Francisco Bay	\$93,980,130	68%
Central Coast	\$27,888,043	54%
LA-Ventura	\$145,332,429	68%
Santa Ana	\$91,149,996	80%
San Diego	\$70,152,512	77%
Sacramento River	\$47,470,910	65%
San Joaquin River	\$37,141,029	65%
Tulare/Kern	\$33,427,555	56%
Lahontan	\$14,437,733	53%
Colorado River	\$21,940,000	61%

# Funding Update

- Bond Sales Issues
- Adequate existing allocations
  - Prop 13 and Prop 50
  - Prop 84 and 1E
- Debt Service
- Need to move forward with invoicing

# Long-term Schedule

- Logic to schedule
  - Expedite Planning to help ensure IRWM Plan development, enhancement, and revisions
  - Advance deferred Local Groundwater Assistance solicitation
  - Run SWFM solicitation 1<sup>st</sup> to avoid potential conflict with IRWM project selection

# Long-term Schedule

- Logic to schedule
  - Stagger solicitations to manage DWR and applicant workload
  - Need to consider 2011 grant award workload
    - Awarded/Awarding over \$400M via 76 grants
      - Funded over 250 projects – includes Planning Grants
    - Need to get grants executed and invoices processed
    - Also have prior Prop 50 IRWM grants to manage

# Long-term Schedule

Planning Grant Solicitation	
Release Final PSPs	December 2011
Applications Due	Early 2012
Draft Recommendations for Public Review & Comment	Spring 2012
Announce Final Awards	Mid-2012
Local Groundwater Assistance Grants	
Revised Draft Guidelines & PSP for Public Review & Comment	January 2012
Release Final Guidelines & PSP	Spring 2012
Applications Due	Spring 2012
Draft Recommendations for Public Review & Comment	Summer 2012
Announce Final Awards	Fall 2012

# Long-term Schedule

Revise Program Guidelines & Implementation & SWFM PSPs	
Stakeholder Workshops & Public Feedback	Now
Draft Revised Guidelines and PSPs for Public Review & Comment	Spring 2012
Final Round 2 Guidelines & Implementation & SWFM PSPs	Mid-2012
SWFM Grants	
Applications Due	Summer 2012
Draft Recommendations for Public Review & Comment	Early 2013
Announce Final Awards	Spring 2013

# Long-term Schedule

IRWM Implementation Grants	
Step 1 - Plan Evaluation Phase	
Applications Due	Fall 2012
Release Draft Call Back List for Public Review & Comment	Early 2013
Release Final Call Back List	Spring 2013
Step 2 - Project Evaluation Phase	
Applications Due	Mid-2013
Draft Recommendations for Public Review & Comment	Summer 2013
Announce Final Awards	Fall 2013



# Long-term Schedule

- Round 3 will commence “immediately” following conclusion of Round 2
  - Early 2014
- Depends on future appropriation of grant funding and future bond sales
- If necessary, Process Improvements or Guidelines revisions
- Step 1 Applications due – Mid/Late 2014
- Final awards – Mid/Late 2015

# Timing of Plan Adoption

- Prop 84 – Requires Adopted Plan
- Round 1 and Round 2 – Grandfather Clause
  - For plans adopted prior to September 30, 2008
  - 2 years after “entering into a binding agreement”
  - Clause not applicable to plans adopted afterwards

# Timing of Plan Adoption

- Round 3 – Assuming no grandfather clause
  - Plan Standards issued August 2010
  - Adequate time to have updated pre-2008 plans
  - Round 3, Step 2 Application – Due Early/Mid 2015
    - Latest adoption date
- Conclusion – Need to work towards timely adoption of updated plans

# New Requirements

- 2009 Water Policy Legislative package
  - Delta Sustainability
  - For awards after 2012
    - CASGEM
    - Surface Water Diversion Report
    - Agriculture Water Management
- 2010 Urban Water Management Plans
- Labor Compliance Program
- Ocean Protection Council
  - Sea Level Rise Policy

# Additional Input, Q&A, Discussion

Comments due by **December 31, 2011**

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